

have. It is far more significant probably than it is thought to be as far as long-term policy for the state and for the policyholders of insurance companies that reside in the state.

SPEAKER NICHOL PRESIDING

SPEAKER NICHOL: Senator John DeCamp, please.

SENATOR DECAMP: Well, Mr. President, members, I was just going to, like Senator Higgins says, let Senator Barrett handle the bill and let her slide through because it is a good bill, like Senator Higgins predicted I would say. But since she raised the question of the NDIGC and the concepts, I think it important to clear something up. If this system had been in effect, the system that now exists in the State of Nebraska and most other states by the way, if this identical system had been in effect for Commonwealth, there would not have been a Commonwealth in terms of the problems it has had or all this. This system has been in effect and it's worked. What is this system I am talking about? It is a guaranty system, that is what, in effect, it is. It works this way--when an insurance company here goes belly up then in order to make sure that those people who were insured that they don't get honked, which would be comparable to your Commonwealth situation, the situation exists whereby all the other insurance companies in the state, the other insurance companies in the same field, pick up and put money into the kitty to cover those losses. You may remember I proposed this identical system to be put into effect in a special session immediately after Commonwealth failed. Now how else does the system work, and why does it work, and why do the insurance companies accept it? This is the secret that most people don't realize, yet it is a fact. Because you, the taxpayer, make it work. Because even though the insurance companies put in the money, they turn around and are allowed to deduct it from the premium taxes. Yes, see, that is why the system works. That is the way Commonwealth could have worked if we would have had it in effect back then. Now you say, well, then really the taxpayer is the insurer. My answer is yes. So when Senator Higgins says, well, the State of Nebraska is behind it, you better believe it. That is what is behind the whole system. Has it worked? Yep, you lived through it not too long ago. Remember the famous tornado? Uh huh, the tornado that cleaned out Grand Island. Well, as a result of the fact